

**MINUTES OF COUNCIL MEETING**  
**MAY 22, 2008**  
**6:30 P.M.**

The Murray City Council met in regular session on Thursday, May 22, 2008, at 6:30 p.m. in the Council Chambers of City Hall, with Mayor Rushing presiding.

**Council Members Present:** Danny Hudspeth, Pat Scott, Jeremy Bell, Dan Miller, Butch Seargent, Linda Cherry, Pete Lancaster, Jason Pittman, Robert Billington, David Ramey, Jane Brandon, Butch Seargent, and Bill Wells.

**Council Members Absent:** None.

**Staff Present:** Ken Claud, J. L. Barnett, David Roberts, Ron Allbritten, Dennis Thompson, Philip Morris, Carol Roberts, Kim Wyatt, Candace Dowdy, Michael Skinner, Matt Mattingly, Gail Mullins, Harla McClure, and Warren Hopkins.

Minutes of the council meeting held May 8, 2008, were presented for approval. **Mr. Billington moved, seconded by Mr. Pittman,** to approve the minutes as written. With no discussion, Mayor Rushing called for a voice vote, which was unanimous in favor of the motion.

Mayor Rushing recognized Lance Allison. Mr. Allison has been appointed the new Chamber of Commerce Director. He stated that it is important for the City and the Chamber to work together for the benefit of the community.

Mayor Rushing recognized Bill Wells, chairman of the finance/personnel committee and requested that he provide a report. Mr. Wells stated the committee met to discuss renewing the lease between the Purchase Area Development District for the Career Discovery Center and the City of Murray. The lease is for the old Murray Municipal Utilities building located on South 5<sup>th</sup> Street. **Mr. Wells moved, as unanimously recommended by the Finance/Personnel Committee** to authorize the Mayor to enter in to a lease with the Purchase Area Development District for one year. **Mr. Ramey seconded the motion.** Jennifer Walker, of the Career Discovery Center, stated that it has been a great partnership with the City and they have been able to benefit several members of the community. With no further discussion, Mayor Rushing called for the voice vote which was unanimous in favor of the motion.

Mayor Rushing recognized Dan Miller, Chairman of the Transportation Committee, to provide a report. Dr. Miller requested that David Roberts, Director of Planning and Engineering, to provide a report on the turn lane at 18<sup>th</sup> Street and College Farm Road. Mr. Roberts stated the plans have been completed by Geotech Engineering and submitted to KYTC in Reidland. We hope to receive comments soon and we will wait to see what the bids will be. The goal is to have it completed before school starts in August.

Dr. Miller stated the next issue discussed was the overhead street signs recommended by the council. Ron Allbritten, Street Superintendent, stated the signs will be placed at seven intersections on 12<sup>th</sup> Street: 1) Hwy 121 North; 2) Chestnut; 3) Olive; 4) Main; 5) Poplar; 6)

Sycamore; and 7) Glendale Road. He stated there will be four signs per intersection except at Highway 121 and 12<sup>th</sup> Street. The total cost of the project is \$5835 and will be applied toward the funds in this year's budget.

The last issue was discussed was the installation of a possible stop light at Highway 641 North and Utterback Road. Marilyn Arcaroli from Wesley at Murray was present to voice her desire on behalf of her and her residents to have a stop light installed. Dr. Miller stated this area has become a safety issue and this is something the City addressed approximately two years ago. It was put on the website as a survey at that time. The committee is recommending that the City proceed with discussions with the State Department of Transportation to see what the possibility is of putting a stop light at this intersection, adding some lighting to the area, and changing the speed limits.

Mayor Rushing entertained a motion to open the public hearing pursuant to state statute for the purpose of obtaining written or oral comments regarding the proposed use of Municipal Aid Funds and LGEA Funds for the Fiscal Year 2008-2009. **Mr. Wells moved to open the public hearing and Mr. Lancaster seconded.** Mayor Rushing called for the voice vote which was unanimous in favor of the motion. Mayor Rushing asked if there were any comments regarding the proposed budget for said funds. **Mr. Pittman moved, seconded by Mr. Ramey to close the public hearing.** Mayor Rushing called for the voice vote which was unanimous in favor of the motion.

Mayor Rushing entertained a motion to open the public hearing pursuant to the open records statute for the purpose of obtaining written or oral comments regarding the proposed budget for the Fiscal Year 2008-2009. **Mr. Bell moved to open the public hearing and Mr. Ramey seconded.** Mayor Rushing called for the voice vote which was unanimous in favor of the motion. Mayor Rushing asked if there were any comments regarding the proposed budget for said funds. **Mr. Ramey moved, seconded by Dr. Miller to close the public hearing.** Mayor Rushing called for the voice vote which was unanimous in favor of the motion.

Mayor Rushing then presented the following budget message:

To: Council - City of Murray, Kentucky

From: H. Thomas Rushing

Date: May 22, 2008

Re: 2008-2009 Budget Proposal

In accordance with Kentucky Revised Statute 91A.030, the Annual City Budget Report for the City of Murray, Kentucky for the fiscal year ending June 30, 2009, is hereby submitted.

Herewith I am presenting to you this budget message and attached budget proposal for the Fiscal Year

2008-2009 so as to comply with all the statutes.

Appreciation is extended to the Finance Committee and Department Heads who have devoted their time and efforts in developing a sound financial plan. It is my desire that the Budget provides all citizens with a high quality of municipal services which is both efficient and effective. Murray has in past years been well-governed, well-managed and fiscally sound. I hope to keep in place these past traditions to insure community pride. This budget report indicates sufficient financial resources to maintain current levels of services without any reductions in personnel or programs.

The compiled budget for all city operations shows available funds of \$38,737,389. This represents an increase of 7% or \$2,518,542 more than the prior year's total city operations. The increase in budget comparisons is mainly due to the Natural Gas System funds which are increased by \$2,502,100 due to increases in natural gas market prices.

The budget has set forth these primary objectives to be accomplished in the next year:

- 1) A base salary increase for all employees will be set at 2.50% for cost of living allowances.
- 2) Additional funds will be available for performance increases and salary adjustments. The Mayor will determine all salary increases. The Mayor will consider recommendations from department heads. The total allocation available for the General Fund and Utility Funds will be \$53,200.
- 3) Minimum salary entry levels and maximum levels for each grade in the pay classification plan will be adjusted by the cost of living allowance of 2.50%. The starting salary for a new certified and sworn police officer and fire fighter will be set at \$25,210.
- 4) The City's Health Insurance Committee has not finalized its recommendation for any possible cost increases to the City or employees. Budget amounts for health insurance costs will be increased by 7% in case contribution increases are implemented.
- 5) Employee benefit costs will experience slight decreases in the cost of retirement benefits. The CERS Hazardous employer rate will decrease from 33.87% to 31.99%. The CERS Non-Hazardous employer rate will decrease from 16.17% to 15.58%. These rates are mandated by the State.
- 6) The School Resource Officer grant funds have been fully expended and the City's commitment to place 2 officers in the schools is fulfilled. These officers have been placed on full-time duty within the Police Department.

- 7) All fuel budgets have been increased in order to reflect the large increases in fuel costs.
- 8) The City will continue the Christmas gift of \$25 Chamber Dollars for employee recognition of services.
- 9) In order to continue the same level of services for the citizens of Murray that has been received in prior years, property taxes will be set as allowed under HB44 for 4% growth.
- 10) The City will attempt to maintain the policy of limiting expenditure growth to the same level of anticipated revenue growth. This keeps the City from budgeting a growing expenditure base that out paces possible revenue projections.
- 11) The City will maintain the current level of funding for the City's Police & Firemen's old pension fund. Currently the P & F receives 1.65 cents/\$100 of property tax value for funding.
- 12) A policy to use E911 generated funds to help defray associated dispatcher costs along with telephone and radio communication costs will be continued. The amount designated for personnel costs is \$25,000.
- 13) The largest capital project in Utilities during the year will be the Southwest annexation sewer project. This project is planned for a total estimated cost of \$1,184,000. The City has been approved for a KIA loan to finance this project. The largest project in the General Fund is \$350,000 for engineering and architectural services to design a fire station and a combined police/fire station.

The Fiscal Year 2008-2009 Budget recommended for your approval represents a realistic and sound budget. The City monitors all departments to assure compliance within budget parameters. Internal controls along with various checks and balances are emphasized to insure proper accounting of receipts and disbursements. We want to assure our tax and service payers that proper stewardship of the public funds is our first concern.

In closing, I wish to express our appreciation to you for your continued support of our efforts in serving the citizens of Murray.

**Ordinance Number 2008-1464** (first reading) an ordinance adopting the City of Murray, Kentucky Annual Budget for the period July 1, 2008, through June 30, 2009, by estimating revenues and appropriating funds for the operations of City Government was presented to the council on a first reading. **Mr. Wells moved, seconded by Mr. Billington** to approve said ordinance. Dr. Miller requested information on the business loop (page 8) and Ms. Roberts

stated this applies to the grant we received for the business loop. He also stated that we will be spending approximately \$350,000 for architectural studies for the police/fire station and he hopes that we can be an example for the community when we begin construction and think about ways to build an energy conscious building. Mr. Hudspeth also had questions about page 8 regarding the lease payment. Ms. Roberts stated that the general fund is covering the costs for facilities maintenance currently and that will change with this new fiscal year. The maintenance costs of the building will now be paid by the gas and water system and the lease payment is increased to reflect this change. With no further discussion, Mayor Rushing called for the roll call vote which is recorded as follows:

**AYES:** Jeremy Bell, Pat Scott, Dan Miller, Butch Seargent, Linda Cherry, Pete Lancaster, Jason Pittman, Robert Billington, David Ramey, Jane Brandon, and Bill Wells.

**NAYES:** Danny Hudspeth.

Mayor Rushing declared said ordinance approved on the first reading by a vote of 11 to 1.

**Recommendation** from the Murray Planning Commission was presented to the council authorizing the city attorney to draft an ordinance rezoning a 10.9352 acre portion of land located at 1414 North 12<sup>th</sup> Street from R-3A (multi-family residential) to B-2 (highway business) based on the following findings of fact: 1) the property is contiguous to B-2 zoning to the north and west; 2) the rezoning of this portion of land would give a more appropriate depth for commercial development by extending the B-2 zoning back another 321 feet to the east; 3) the majority of commercial development is taking place on the north end of the city such as the Heritage Bank, Holiday Inn Express, and Automated Direct Mail; and 4) recent rezoning of property adjacent to and north of this property from R-2 to B-2. Said property is owned by Robert and Betty Keathley. The commission approved the rezoning by a vote of 8 to 1. **Mr. Pittman moved, seconded by Mr. Wells** to approve said recommendation.

Mr. Pittman questioned exactly what the property owners wanted to do. Candace Dowdy, City Planner, stated the front part, which is directly behind the Holiday Inn Express, is the area that is proposed to be rezoned to B-2. That would give the additional depth for the properties along Frontage Road. She stated that the property along Frontage Road is part of the old Wheeler subdivision and the depth is a little bit over 200 feet deep and by rezoning this portion, it would give additional depth for future commercial development that might need additional property. She stated when Holiday Inn Express applied for their permit, they had to get a 7 foot setback variance just to comply with the setbacks in the B-2 zone and they also had to get a 26 parking space variance. She stated there was a significant parking space variance granted to the old Heilig Meyer building when it was built. This rezoning will provide some potential larger developments an opportunity for a larger area to develop. The back 23 ½ acres will remain for some potential residential dwellings.

Mr. Pittman's main question is that the people who currently live there have an option to move back in there. Ms. Dowdy stated the other 23 ½ acres will remain the same zoning and if

he chose to leave the manufactured homes there, he could do so. However, he stated that is not his intention. He is attempting to purchase property on Highway 464 in order to relocate the mobile home park.

Dr. Miller stated that the emphasis appeared to be that the property along 641 is too shallow. He wanted to know how the width of the property is going to make a difference. He stated that the rezoning more than doubles the size of the B-2 zoning in that area. He questioned how the width of the strip was determined. Ms. Dowdy stated he had looked at the acreage that was there, the layout of the land as it is now, and arrived at the acreage he wanted to rezone as B-2. Dr. Miller stated he did not see anything in the future land use that would suggest that we need to double the B-2 zone on 641. Ms. Dowdy stated the current land use plan shows the area as a medium to moderate density residential which has a higher density rate of 8.7 units per acre. She stated there were not a lot of comments from the Planning Commission over the recommended size.

Mr. Seargent stated that Mr. Wheeler was the original owner of the entire tract of land and he quite a bit more depth there of the existing B-2 zone until 641 was widened. He stated there was 75 to 100 feet taken off of the B-2 zone. He stated the property was for sale for years and did not sell. Mr. Seargent stated that if someone wanted to buy the Heilig Meyer property it would be hard to develop since there is not ample parking spaces. He felt the addition of this property should have happened quite some time ago and maybe there is some potential. Mr. Seargent said the additional strip for B-2 zoning would benefit the future development of the area. Ms. Dowdy stated the Planning Department has not received any formal plans to review for the area. Mr. Scott stated that regardless of the zoning, the property owner is going to close the mobile home park.

With no further discussion, Mayor Rushing called for the roll call vote which is recorded as follows:

**AYES:** Danny Hudspeth, Pete Lancaster, Linda Cherry, Butch Seargent, Pat Scott, and Bill Wells.

**NAYES:** Jeremy Bell, Dan Miller, Robert Billington, Jason Pittman, David Ramey, and Jane Brandon.

Mayor Rushing declared the vote a tie of 6 to 6. Warren Hopkins, City Attorney stated that pursuant to KRS 100.211, since it is a tie vote the recommendation to draft an ordinance is considered approved.

Mr. Wells provided the following report for the Make A Difference Day held May 17, 2008: 882 eyeglasses; 220 gallons of oil; 400 pounds of clothes; 379 inkjet cartridges; 32 cell phones; 2860 pounds of glass; 200 pounds of batteries; 30 tons of paper; and 800 pounds of aluminum cans.

Mr. Seargent requested that the minutes reflect that he is requesting the Mayor, the administration, and the finance office take a close look at the employee pay classification plan and the procedure used to evaluate employees for merit/incentive raises. After a review has been performed, he is requesting that a report be provided to the council prior to the next budget meetings.

With no further business to come before the council, the meeting adjourned at 7:45 p.m.

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H. Thomas Rushing, Mayor

Attest:

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Harla McClure, City Clerk